

Management's Discussion and Analysis

Overview

The Centers for Disease Control and Prevention (CDC) and the Agency for Toxic Substances and Disease Registry (ATSDR) are two of the 13 major operating components of the Department of Health and Human Services (HHS), which is the principal agency in the U.S. Government for protecting the health and safety of all Americans and for providing essential human services, especially for those people who are least able to help themselves.

Since it was founded in 1946 to help control malaria, CDC has remained at the forefront of public health efforts to prevent and control infectious and chronic diseases, injuries, workplace hazards, disabilities, and environmental health threats. CDC is globally known for conducting research and investigations and for its action-oriented approach. CDC applies research and findings to improve people's daily lives and responds to health emergencies—something that distinguishes CDC from its peer agencies. Today, CDC is recognized as the federal agency for

- protecting people's health and safety,
- providing reliable health information for the public,
- improving health through strong partnerships.

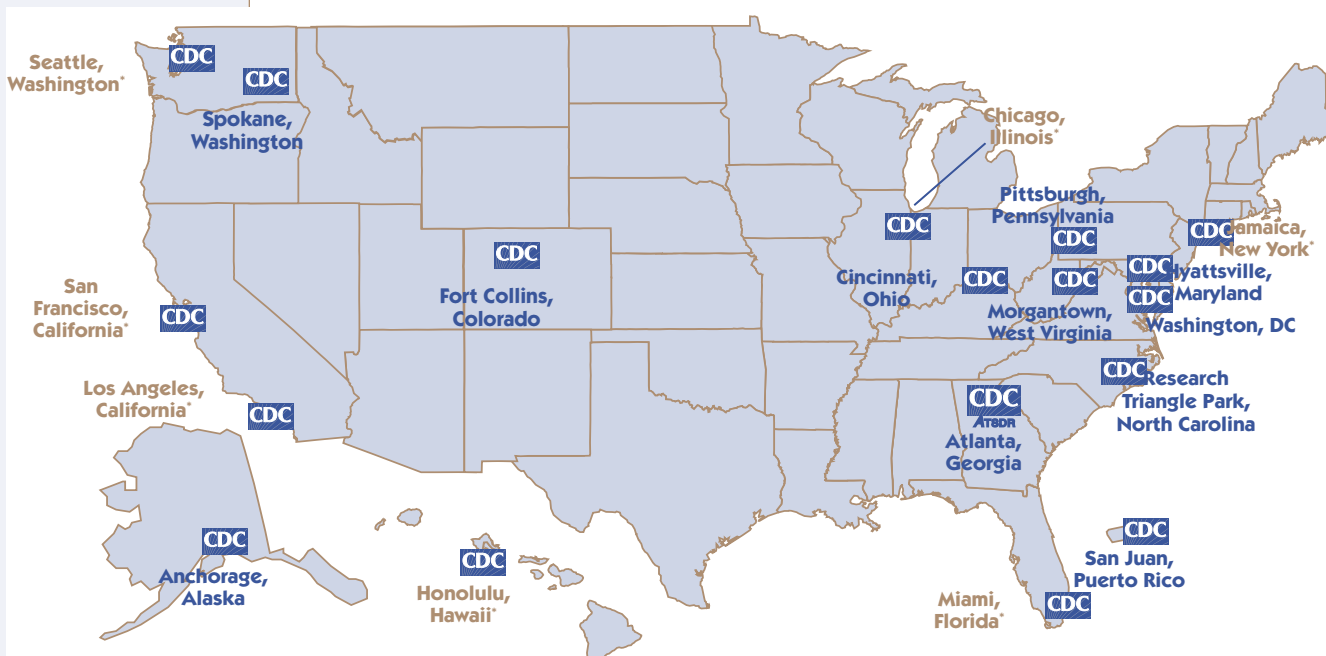
ATSDR was established in 1980 by the Comprehensive Environmental Response, Compensation, and Liability Act—also known as Superfund. ATSDR works to prevent exposures to hazardous wastes and to environmental spills of hazardous substances. Headquartered in Atlanta, the agency also has 10 regional offices and an office in Washington, D.C., and a multidisciplinary staff of about 400 people, including epidemiologists, physicians, toxicologists, engineers, public health educators, health communication specialists, and support staff.

Although CDC and ATSDR have independent visions and mission statements, both strive to protect and improve the health of the American public. The Director of CDC also serves as the Administrator of ATSDR.

This annual report provides information about CDC's and ATSDR's principal financial statements for fiscal year 2002 (see pages 69–129), including a consolidating balance sheet, a consolidating statement of changes in net position, a consolidating statement of net cost, a consolidated statement of financing, and a combined statement of budgetary resources. It also serves as an overview to CDC/ATSDR, highlighting key management practices and selected program activities.

Workforce and Organization

The workforce at CDC/ATSDR totals approximately 9,000 employees in 170 occupations with a public health focus, including physicians, statisticians, epidemiologists, laboratory experts, behavioral scientists, and health communicators. Although many people associate CDC with its national headquarters in Atlanta, more than 2,000 CDC employees work at other locations throughout the United States. Additional CDC staff are deployed to more than 37 other countries, assigned to 47 state health departments, and dispersed to numerous local health agencies on both long- and short-term assignments.



*These CDC facilities are quarantine stations located at major international airports. CDC staff at these locations make and enforce regulations necessary to prevent the introduction, transmission, or spread of communicable diseases from foreign countries into the United States. There is also a quarantine station located at Hartsfield International Airport in Atlanta, the city where CDC is headquartered.

CDC supports staff development and training through intramural programs, such as the CDC Corporate University, and through training and education opportunities that range from attending workshops and seminars to completing advanced degrees. A mentoring program fosters other valuable but less formal training that helps to transmit institutional knowledge and to infuse new ideas.

This talented, well-trained workforce—which is the agency’s most crucial and complex resource—represents a cross section of America’s culturally and ethnically diverse society; hence CDC and ATSDR are well-positioned to serve the American public, to meet the health goals for our nation as set forth by the Department of Health and Human Services in *Healthy People 2000* and *Healthy People 2010*, and to respond to disease outbreaks, health crises, and disasters worldwide.

CDC’s major organizational components develop and manage programs and respond to health threats that fall within their respective areas of expertise. They also, however, pool their resources and knowledge on crosscutting issues and specific health threats. In 2002, the agency comprised these 11 major program components:

- National Center on Birth Defects and Developmental Disabilities (NCBDDD) works to prevent birth defects and secondary disabilities.
- National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP) prevents premature death and disability from chronic diseases and promotes healthy personal behaviors.
- National Center for Environmental Health (NCEH) provides national leadership in preventing and controlling disease, disability, and death that result from the interactions between people and their environment.
- National Center for Health Statistics (NCHS) provides statistical information that will guide actions and policies to improve the health of the American people.
- National Center for HIV, STD, and TB Prevention (NCHSTP) provides national leadership in preventing and controlling human immunodeficiency virus infection, sexually transmitted diseases, and tuberculosis.
- National Center for Infectious Diseases (NCID) prevents illness, disability, and death caused by infectious diseases in the United States and around the world.
- National Center for Injury Prevention and Control (NCIPC) prevents death and disability from nonoccupational injuries, including those that are unintentional and those that result from violence.
- National Institute for Occupational Safety and Health (NIOSH) ensures safety and health for all people in the workplace through research and prevention.
- National Immunization Program (NIP) prevents disease, disability, and death from vaccine-preventable diseases among children and adults.

- Epidemiology Program Office (EPO) strengthens the public health system by coordinating public health surveillance; providing support in scientific communications, statistics, and epidemiology; and training in surveillance, epidemiology, and prevention effectiveness.
- Public Health Practice Program Office (PHPPO) strengthens community practice of public health by creating an effective workforce, building information networks, conducting practice research, and ensuring laboratory quality.

Protecting the Health and Safety of Americans

Improvements in sanitation and the prevention of diseases through vaccines are credited with dramatic gains in life expectancy, gains that occurred because of public health actions. A century ago, pneumonia and tuberculosis were the two leading causes of death in the United States. Then in the 1940s, a critical focus of our nation's health priorities was the control of malaria among military personnel during World War II. From these programs came the genesis of the Centers for Disease Control and Prevention. Since its inception, CDC has been at the forefront of efforts to improve the health and well-being of Americans. But the scope and range of those efforts has greatly expanded since CDC's inception, and today, CDC serves as the sentinel for the nation's health.



Today, once more, mosquito-borne illness, now in the form of West Nile virus, grabs headlines as a major public health concern. The shockwaves created by the terrorist attacks on September 11, 2001, and the subsequent anthrax attacks are still rippling through our nation. An epidemic of obesity grows more widespread across all age-groups in the United States. Newly emerging and documented diseases; viruses, fungi, and other organisms; unintentional injuries and violence; and birth defects and disabilities all threaten the health and well-being of our nation's population, as do risky health behaviors and uninformed decisions; concerns over genetic engineering; and restricted access to health care and health information.

To respond to these complex, crosscutting health problems, CDC and ATSDR rely on a broad array of skills, abilities, and experience to direct research, adapt resources, and balance priorities as needed; employ diverse tactics for preventing and responding to health threats; and forge effective public and private partnerships. CDC and its partners confront challenges that frequently reinforce, reshape,

and expand the traditional roles of public health agencies. Responding to these challenges involves such activities as

- investigating disease outbreaks in the United States and around the world;
- preparing for and responding to terrorist events;
- probing the realms of viruses, bacteria, and parasites in seeking ways to control both emerging and reemerging pathogens;
- protecting the nation's food and water supplies from both inadvertent and deliberate contamination;
- curbing the toll of death and disability from preventable injuries;
- stemming the epidemic of obesity in the United States;
- convincing the public that altering certain behaviors will yield long-term health dividends;
- educating our young people about the risks of HIV, unintended pregnancy, tobacco use, physical inactivity, and poor nutrition;
- translating biomedical research findings into practice that improve health and quality of life in our nation's communities;
- eliminating disparities in the health of all Americans.

Providing Credible Health and Safety Information

Providing the public and health professionals with up-to-date, credible information about health and safety is a crucial aspect of CDC's mission. The new reality that has coalesced since the terrorist attacks last year requires people across all stages of life and health practitioners to make rational, and sometimes rapid, decisions—decisions that have both immediate and long-term implications. CDC and ATSDR have internationally recognized expertise and credibility in disciplines such as public health surveillance, epidemiology, statistical analysis, laboratory investigation and analysis, health communications and social marketing, behavioral risk reduction, technology transfer, and prevention research. CDC is well-suited to develop and disseminate credible and practical health information that helps make our food supply safer, identifies harmful behaviors, and improves our environment.



CDC/ATSDR makes this crucial health information widely and immediately available through multiple channels, including Internet Web sites and E-mail; books, periodicals, and monographs; health and safety guidelines; reports from investigations and emergency responses; public health monitoring and statistics; travel advisories; and direct answers to public inquiries.

In addition to serving the public, CDC delivers critical health information to public health officials and to health providers. For instance, the practicing medical and dental communities and the nation's health care providers receive numerous official CDC recommendations concerning the diagnosis and treatment of disease, immunization schedules, infection control, and clinical prevention practices. CDC offers technical assistance and training to health professionals as well.

CDC/ATSDR is positioned in the vanguard of efforts to spread the word about having children wear bicycle helmets, teaching young women about preventing birth defects by taking folic acid, quitting smoking, eating sensibly and exercising regularly, ensuring children are vaccinated, alerting the public to environmental hazards, and numerous other public health messages that need either to be heard for the first time or to be reinforced through fresh public health campaigns.

Promoting Health through Strong Partnerships

Throughout its history, CDC has placed a premium value on developing and nurturing partnerships with various public and private entities. These partnerships improve and expand the scope and depth of public health services for the American people. CDC's numerous partners in conducting effective prevention, control, research, and communication activities include

- public health associations;
- state and local public health departments;
- federal, state, and local law enforcement agencies and first-responders such as firefighters and rescue workers;
- practicing health professionals, including physicians, dentists, nurses, and veterinarians;
- schools and universities;
- communities of faith;
- community, professional, and philanthropic organizations;



- nonprofit and voluntary organizations;
- business, labor, and industry;
- the CDC Foundation and other foundations;
- international health organizations;
- state and local departments of education.

CDC's partners implement most of the agency's extramural programs, programs that are tailored to reflect local and community needs. These myriad partners also contribute by serving as consultants to CDC program staff, by sitting on advisory bodies at CDC, and by participating in CDC-sponsored seminars and conferences. The diverse perspectives offered by these partnerships serve to generate new opportunities for collaborations, help shape key strategies, and keep CDC/ATSDR focused on the needs of the American public. Sustaining these partnerships requires tremendous coordination and communication.

In 2002, about 62% of CDC's budget (\$6.7 billion)—provided through extramural grants, cooperative agreements, and program contracts—was spent on public health work performed by CDC's partners. CDC dispersed most of those funds to state and local health departments as grants and cooperative agreements to be used for supporting and developing public health programs to prevent and control diseases and injuries. In addition, CDC funds extramural research through such programs as the Prevention Research Centers Program, which supports a prevention research agenda at 24 schools of public health throughout the country.